The Workers' Compensation Board - Alberta

90-06396//

Contents

Modernizing Client Services for the 1990s and Beyond
Joint Introduction by the Chairman and the President 1

Reducing Injuries in the Workplace
Cooperative Initiatives with Occupational Health and Safety 5
Pilot Program to Encourage Better Workplace Safety 8

Improving Service to Injured Workers
On a Firm Course as a Client-Driven Organization 9

Enabling People to Return to Work
The Objective: Rehabilitation of the Injured Worker 13
Case Management Serves 1,236 in Pilot Program 14

Creating a Cost-Effective Environment
Technology Leads the Way to Long-Term Efficiencies, Savings 16
Imaging Project is a "First" for Alberta 17

Management Commentary on the Financial Statements for 1989 19

Financial Statements for 1989 20

Report of the Appeals Commission 31

Tables
Summary of Activities 1989 2
1. Registered Employers, Industry Accounts, and Assessable Payroll: 1985-89 6
2. 10 Industries Sustaining Most Injuries in the Last Decade 7
3. Summary of Claims Administered 10
4. Operating Efficiencies, January-December 1989 11
5. Appeals Advisory Service Activities 11
6. Claims Services Review Committee Activities 11
7. Assessment Review Committee Activities 12
8. Average Actual Compared to Average Required Assessment Rates 19
9. Appeals Commission Data 32

Figures
1. Estimated Lost-Time Claims, in Thousands: 1985-89 6
2. Estimated Full Funded Cost per Lost-Time Claim, in Current and Constant 1985 dollars: 1985-89 6
3. Estimated Average Compensation Days Paid per Lost-Time Claim: 1985-89 7

Letter of Transmittal

THE WORKERS' COMPENSATION BOARD
ALBERTA

VERN MILLARD
CHAIRMAN of the
BOARD OF DIRECTORS

9912 - 107 STREET
PO. BOX 2415
EDMONTON
T5J 2S5
TELEPHONE (403) 498-4184
FAX 422-0872

The Lieutenant Governor in Council,
Province of Alberta,
Edmonton, Alberta

Your Honour,

In accordance with Section 87, Subsection (2) of the Workers' Compensation Act, The Workers' Compensation Board is pleased to present its annual report for the year ended December 31, 1989.

Vern Millard
Chairman of the
Board of Directors

Kenneth C. Pals
President and
Chief Executive Officer

Modernizing Client Services for the 1990s and Beyond

Joint Introduction by the Chairman and the President

Kenneth C. Pals, President and Chief Executive Officer (left), and Vern Millard, Chairman of the Board of Directors.

Nineteen eighty-nine was pivotal in the history of The Workers' Compensation Board. This was the year in which the corporation embarked on a vast and exciting process of change for improving the delivery of services to injured workers in Alberta. We are modernizing for the 1990s and beyond.

This involved introducing new programs, developing and acquiring new technologies, and making relevant changes in the organization structure. Concurrently, a fresh emphasis was placed on communication with our clients, as well as on renewal of the WCB's sensitivity and responsiveness to client needs. Specifically, much of the year's work focussed on these four resolves:

- to reduce injuries in the workplace
- to improve services to injured workers
- to enable people to return to the workforce
- to create a cost-effective environment.

Much was accomplished. How far we succeeded in 1989, and the projects in hand for the future, are explained in the pages of this report.

A key element in the change process was ratification of a mission statement by the Board of Directors. It is reproduced on the next page. Together, the stated mission, the goals and the principles of service have given the corporation a clear direction for the future. They define what has to be done to meet fully the current needs and aspirations of Alberta's employers and injured workers, and further, to meet the challenges of the 1990s and the 21st century.

Why the WCB Exists

In moving to meet these needs and challenges, it is important to be reminded that the corporation does have responsibilities for serving two groups of clients: the approximately 900,000 workers covered by workers' compensation, and the 60,000 employers whose annual assessments of some $366 million enable the WCB to carry out its mandate.

The fundamental tenet of The Workers' Compensation Board is that employers fund the cost of injuries incurred on the job, without consideration of fault. In exchange, injured workers give up their rights under common law to sue employers. In brief, this is what the WCB is all about; why it exists.

Significantly, in April 1989, this compact was upheld by the Supreme Court of Canada when it ruled in favor of the immunity provisions of the Workers' Compensation Act.

Of similar importance to the corporation's status was the decision of the Alberta courts during the year to hold that the exemption of industries from coverage was not discriminatory. Hence, workers injured in industries not covered by the Workers' Compensation Act are not entitled to benefits.

It is the corporation's mandate to ensure that the contributions of employers to the Accident Fund are used responsibly to the benefit of injured workers. At the same time, the corporation's mandate is to ensure that injured workers receive the rehabilitation or compensation that is compatible with providing employers with immunity from civil liability.

Key Role of Staff

The process of modernization on the scale we are engaged in has focussed on the key role of our staff. Without them, change would not have been possible. Our employees have made a major contribution toward carrying out the recommendations of the Millard Task Force. They have reacted with enthusiasm and a positive attitude in coming to grips with change.

To provide better client service on an immediate basis, many new employees were brought in to the corporation. We are proud to report the high degree of integration between long-service personnel and new arrivals. This augurs well for the future effectiveness of the WCB in serving its clients. They all deserve our thanks for the progress made in 1989.

Meanwhile, during the year, the Board of Directors met on a regular schedule to review major policy and operational decisions and intentions.

Investment in the Future

The change process and the high-tech modernization we are engaged in cost money. This is shown in our Schedule of Administrative and General Expenses. We make no excuses for the administrative expenditures shown there. It is crucial to recognize that these current expenditures are not costs incurred merely to catch up from the past to the present, or even to preserve the status quo. They are an investment in the future, designed to bring significant benefits to our client groups — injured workers and employers.

We see the situation as being a case of win-win for everybody. Investments are being made to reduce workplace injuries, to improve services, and to rehabilitate injured workers, in an effective but compassionate manner, and enable them to get back on the job. In time, claim costs are reduced and employers will benefit.

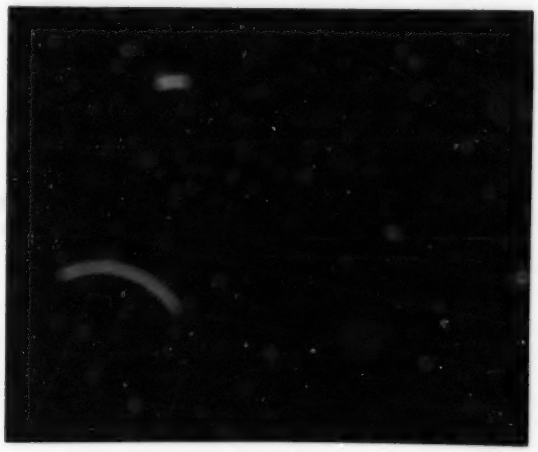
Yet, despite the immense amount of activity and rising expenditures incurred in effecting major changes, our financial position continued to be relatively strong. A major factor was the continued growth in the Alberta economy, as well as increased rates of assessment. During 1989, the corporation recorded a $62.9 million surplus from operations, and improved its funded position to 84.2%. At the end of the year, the corporation's accumulated unfunded liability fell to $304.2 million from $367.1 million at the end of 1988.

Annual Meeting

One of the major resolutions made in 1989 was to develop better communication with all our clients — injured workers and employers.

In 1990, one component of that thrust will be to hold an annual meeting, the first ever held by The Workers' Compensation Board. Our purpose is to confirm the commitment we have made to demonstrate responsiveness and accountability to our stakeholders. Members of the Board of Directors and the Executive Committee will be present, and will welcome your input.

Summary of Activities 1989



Board of Directors

Left: Vern Millard, Chairman of the Board of Directors
Right: Kenneth C. Pals, President and Chief Executive Officer

Top Row (from left to right): Kenneth Albrecht, John Booth, Dennis M. Erker, Dr. Charles V. Godberson, J. Leonard O'Toole, Betty L. Screpnek

Bottom Row (from left to right): Harold Taylor, Thomas E. Whiting, J.G. (Jack) Williams

Mission, Goals and Principles of Service Policy

MISSION

To serve workers and employers by reducing injuries, compensating workers while disabled and rehabilitating to re-employment or self-sufficiency.

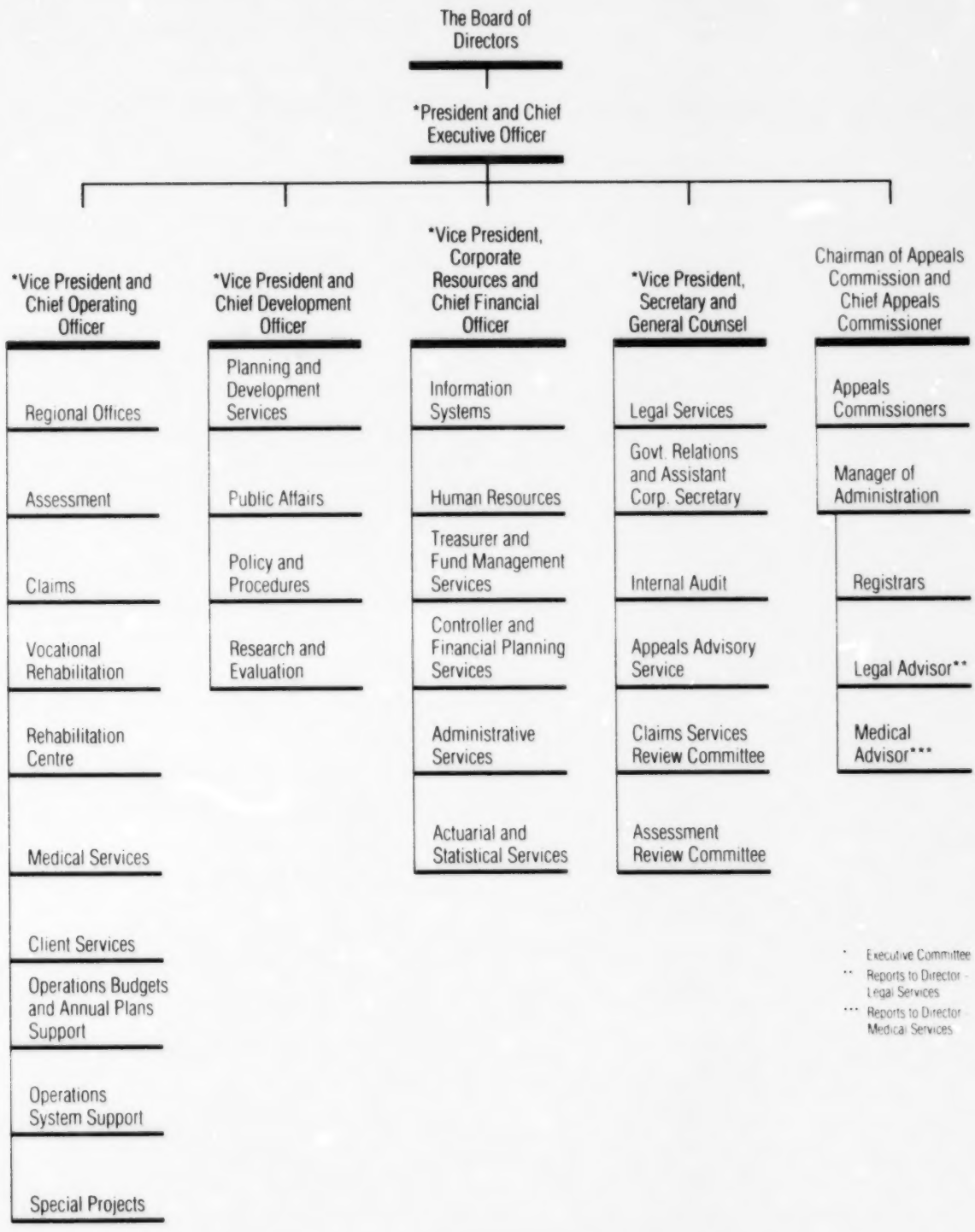
GOALS

To reduce workplace injuries
To replace wages lost as a result of workplace injury
To achieve early re-employment of injured workers
To achieve early restoration of pre-accident independence
To manage resources with fiduciary care

PRINCIPLES — HOW WE SERVE

• Uncompromising ethics • Whole person rehabilitation
• Commitment to problem-solving • Integrated service delivery
• Client satisfaction • Benefit of doubt goes to worker
• Client-centered focus • Innovative partnerships
• Early identification and intervention • Open communication

Organization Chart



Reducing Injuries in the Workplace

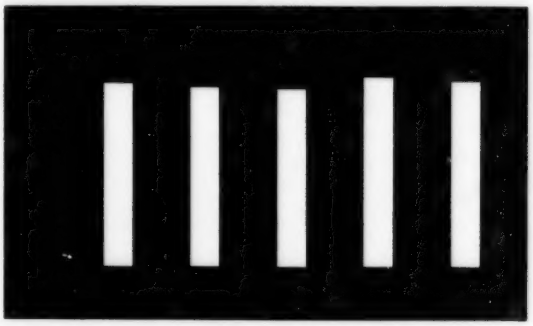
Cooperative Initiatives with Occupational Health and Safety

During the last decade, Alberta industry reported approximately 500,000 lost-time claims. (A lost-time claim is one in which an injured worker is on compensation for one or more days.) The cost, in payments by The Workers' Compensation Board, was about $2.5 billion; the cost to society probably exceeded $10 billion.

The dollars are only part of the story. These figures also represent a great deal of human pain and suffering. Little wonder that a primary objective of the WCB during the current process of change is to encourage accident prevention throughout Alberta industry.

Two factors are critical in any discussion on reducing workplace injuries: the number of lost-time claims and the average cost of these claims. Where we stand in Alberta is indicated clearly in Figures 1 and 2.

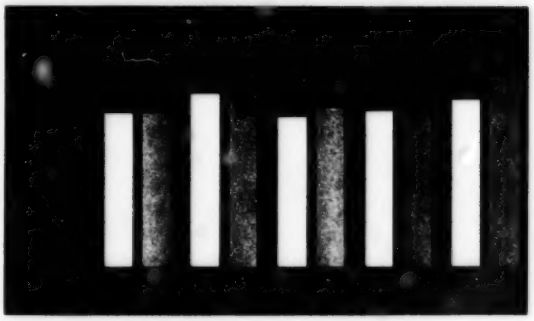
Figure 1
Estimated Lost-Time Claims: 1985-1989 (Thousands)



A lost-time claim is defined as one in which the worker is on compensation for one or more days subsequent to the date of accident. Lost-time claims have remained relatively stable since 1985.

Note: Data used for the calculation of this exhibit was reassessed in 1989 and, therefore, statistics for previous years have been adjusted.

Figure 2
Estimated Full Funded Cost per Lost-Time Claim: 1985-1989 (Thousands)



1985 Dollars Current Dollars

The estimated cost per lost-time claim has remained relatively stable since 1985 in constant dollar terms.

Table 1
Registered Employers, Industry Accounts, and Assessable Payroll: 1985-1989

Year	Registered Employers	Industry Accounts	Assessable Payroll (000s)

Figure 1 presents annual data on the number of lost-time claims for the past five years, from 43,000 in 1985 to 43,500 in 1989. Annual totals generally tend to be higher when the Alberta economy is strong and employment high. For example, in 1981, when the economic boom was at its height, lost-time claims for that year were over 55,000. Thus, a stronger economy in the 1990s as is being predicted, could see the number of lost-time claims — and costs — start to soar.

An indication of future possibilities is provided in Table 1. This shows a steady increase in the number of registered employers, industry accounts, and assessable payroll in recent years, following the weaker economy of the mid-1980s.

Figure 2 presents annual data on the average cost of lost-time claims for the past five years. These costs have remained more or less stable in constant 1985 dollars.

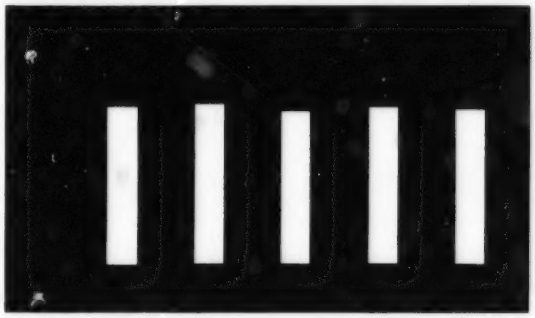
However, the costs of lost-time claims are closely related to the number of days for which an injured worker receives compensation payments. Data on this factor are shown in Figure 3. This tracks the average number of compensation days paid per lost-time claim over a five-year period. The average decreased during the half-decade, from 73.9 days in 1985 to 72.9 in 1989.

The indicators seem clear. If the number of injuries should grow, and even if the average number of compensation days paid per lost-time claim continue unchanged, the total costs of these claims will start to climb. The likely consequence? The provincial workers' compensation program could face a serious escalation in dollar costs, and see no easement in human pain and suffering.

The challenge, then, and part of the corporation's mission, is to reduce the incidence of lost-time injuries and the number of compensation days paid per claim. A start was made in 1989. Initiatives taken to reduce injuries are described on these pages; initiatives taken to enable injured workers to return to work are described in another section of this report.

Figure 3

Estimated Average Compensation Days Paid per Lost-Time Claim: 1985-1989



Includes Vocational Rehabilitation and Temporary Disability Days.

This chart indicates the total compensation days paid over the life of each lost-time claim in any given year.

Note: Data used for the calculation of this exhibit was reassessed in 1989 and, therefore, statistics for previous years have been adjusted.

Data Identifies 42 Problem Industries

To meet the challenge of reducing injuries in the workplace, the WCB continues to cooperate closely with the provincial government's division of Occupational Health and Safety (OH&S).

First, the WCB's data can be usefully employed in joint activities. For example, this data, when analysed, identifies the incidence and types of injuries, and thus shows where injury reduction programs need to be applied. Using this information, and by cooperating with OH&S in programs and actions on which both agree, there is little doubt that the number of workplace injuries can be substantially reduced.

A reasonable target is considered to be a reduction, at the end of five years, equal to 15% of the 43,500 in 1989. It is the target to which the WCB has committed itself. Such a reduction should result in approximately 6,500 fewer injuries during the five-year period.

The prime instrument for success is knowing the most likely sources of accidents, and the employers most likely to be involved. A very general starting point is provided in Table 2. Data analysis shows that workers in the 10 broad industry groupings listed here sustained the most injuries during the last 10 years.

Other indicators are offered by an analysis of the injury frequencies in the 800 separate industries classified by The Workers' Compensation Board as of December 31, 1989. During the last 10 years, 97 of these 800 industry classifications each had more than 1,000 lost-time claims and, as a group, accounted for 90% of all claims made.

Further analysis shows that of these 97 industries with high-injury frequencies, 42 accounted for 48% of the group's injuries and 64% of the cost of claims incurred. Yet, these 42 accounted for only 24% of the payroll of the 97-industry group.

Clearly, these 42 industries constitute the best potential for reducing injuries and costs and, therefore, provide a focus for developing injury-reduction initiatives. The average annual injury rate for these 42 industries is 15%, compared to the provincial average of 5%.

This is the group on which the WCB, in concert with OH&S, labor and industry, is starting to concentrate injury-reduction efforts. It is estimated that reducing the injury rate for these 42 industries to 10% from the current annual

Table 2

10 Industries Sustaining Most Injuries in the Last Decade

Industry	Number of Injuries

average of 15% could eliminate some 6,000 workplace accidents a year, and save $50 million in claims costs. These savings also represent an important reduction in human pain and suffering.

Actions Being Taken

Two significant initiatives are being undertaken.

"Window of Opportunity" Pilot. This project is designed to use the WCB's assessment system as a lever to encourage employers to reduce injuries. The pilot program to encourage better workplace safety is explained in a separate feature on this page.

Safety Audits. Employers need to be encouraged to implement effective health and safety programs; those that maintain poor safety records should not go unchecked. On an experimental basis, the WCB has committed $1 million to fund safety audits by OH&S of individual companies identified as having poor safety/injury performances over a prolonged period of time.

Other initiatives are under consideration. First, encouragement needs to be given to the formation and work of safety associations, such as that recently established by the construction industry. The mandate of the Alberta Construction Safety Association is to develop and implement effective safety programs.

Industry safety associations can play a vital role in educating employers and notifying them of the benefits of effective safety practices. They are especially important in industries which include a large number of small- or medium-size employers. Safety messages are difficult for the WCB or OH&S to distribute to these employers. Safety associations would provide a more effective communication channel.

Meanwhile, a pressing need is to educate employers on the benefits to accrue to them when the number of injuries are reduced: fewer staff replacements, sustained productivity, and lower assessment rates. In particular, employers with just a few employees stand to gain a great deal. Yet, it is these employers who rarely attend workshops and meetings. These employers are numerous, and are difficult and expensive to contact.

Pilot Program to Encourage Better Workplace Safety

A major joint initiative of The Workers' Compensation Board and Occupational Health and Safety in 1989 was introduction of the Work Injury Reduction Pilot Program. Its purpose: to enable the corporation's assessment system to more effectively encourage employers to reduce injuries. It is a pro-active approach to test the concept that comprehensive health and safety programs will reduce workplace injuries and costs. Colloquially, the program is called the "Window of Opportunity" project.

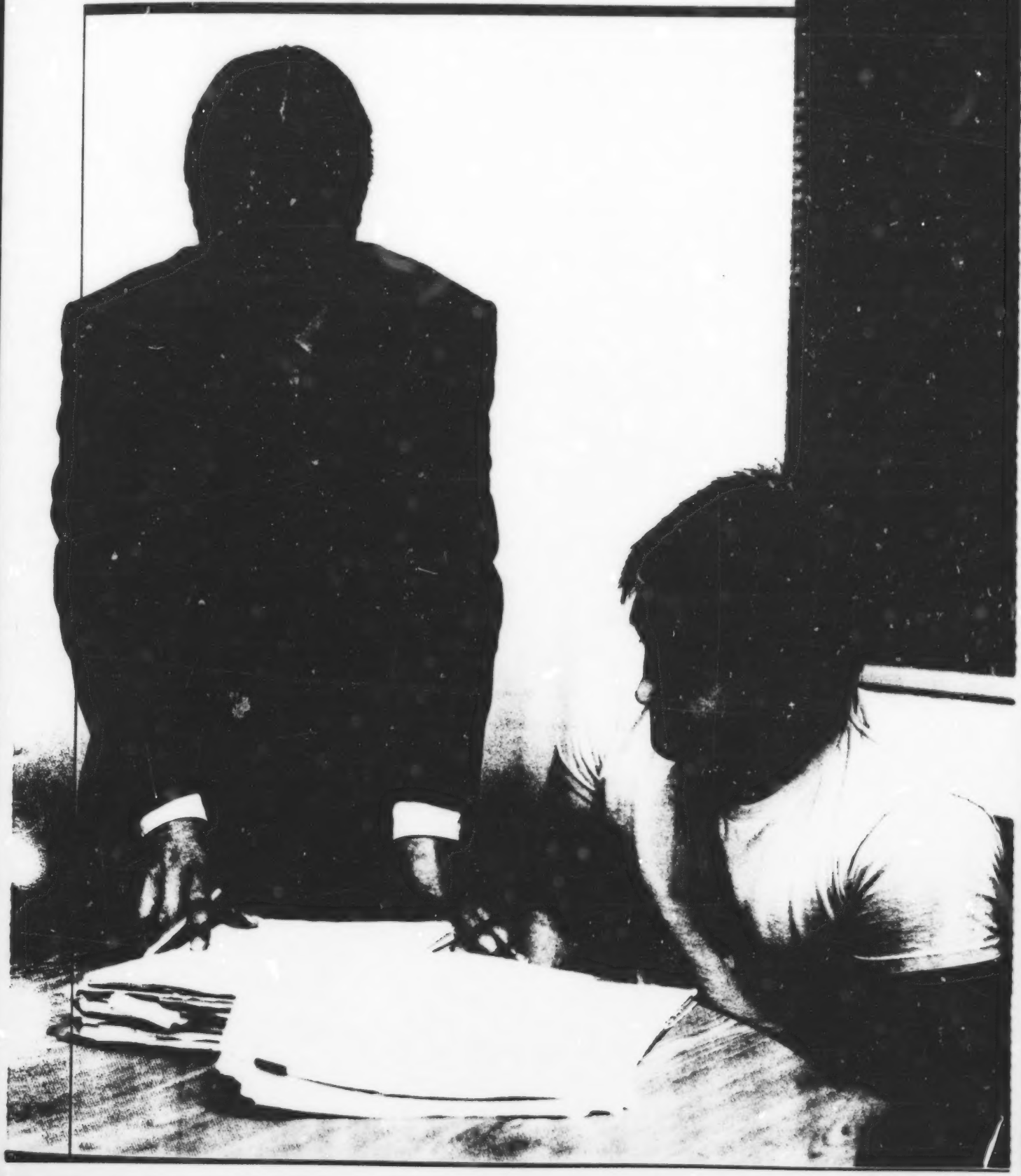
Specifically, employers in the meat packing and roofing industries are offered an opportunity to defer a portion of their assessments in 1990 and 1991, in return for a commitment to implement and maintain a health and safety program.

The offer is conditional on employers actually reducing injuries and costs. Their operations will be monitored, and if injuries and costs are not reduced the WCB will require employers to repay any deferred assessments.

The program is administered by steering committees comprising representatives of the WCB, OH&S, industry and labor organizations, and involved employers. The results of the pilot will be evaluated, and other industries will be considered for inclusion in the program.

Improving Service to Injured Workers

On a Firm Course as a Client-Driven Organization



Each year, the Claims Department of The Workers' Compensation Board adjudicates more than 60,000 new claims for compensation benefits. Exact figures for 1988 and 1989 are recorded in the Summary of Claims Administered in Table 3 on this page. In the adjudication process, decisions are made which, in 1989, resulted in the disbursement to injured-worker clients of $321 million in benefit payments.

Improving services to those clients was a major goal of the WCB in 1989. The objective: to set the corporation on a firm course as a service- and client-driven organization, with emphasis on client satisfaction.

An infusion of people and programs in 1989 made the workload more compatible with client expectations. Specific aims were to reduce delays in claims handling, enhance operational efficiencies, and as far as possible, eliminate the causes of complaints received. These pages describe key actions taken to achieve these aims.

Speeding Up Claims Handling

- To get caseloads down to reasonable levels and reduce delays in the adjudication process, the Claims Department increased the number of adjudicators by 20%.
- Also to speed up claims handling, and reduce paper volumes, the Department introduced more efficient authorization procedures.
- The Department also laid the basic groundwork for an automated system that is planned to handle simple, straightforward claims with minimum delays.

Table 3
Summary of Claims Administered

	1988	1989
New claims[1]	60,000	60,000
Claims disallowed[2]	1,000	1,000
Claims allowed	59,000	59,000
Claims closed	58,000	58,000
Claims in progress	1,000	1,000
Claims pending	1,000	1,000

[1] *New claims of all types include pension claims, compensable time lost claims, medical aid claims, disallowed claims, and claims in which a judgement is pending.*

[2] *Refers to a claim for compensation which was not covered under the Act, not established, or the accident was deemed not to be in the course of employment.*

Treatment teams at the Rehabilitation Centre meet frequently to assess the progress of individual patients.

Increasing Efficiency

- To assist injured workers who have no or only a limited knowledge of the full array of benefits that may be available to them, a special committee has been established. This committee helps clients coordinate Workers' Compensation Board benefits with those of other government services: Canada Pension Plan, Unemployment Insurance, and social assistance programs. The committee informs injured workers what benefits are available, and explains how to obtain the greatest allowable return from them.
- The corporation established a special program that offers advice to employers on how to complete accident reports.
- Additions to staff, as well as use of new and improved systems, cut delays in many administrative functions, thus speeding up service to clients. Data that demonstrates enhanced efficiency is shown in Table 4. This presents activity comparisons from January to December 1989.
- The Appeals Advisory Service in Calgary and Edmonton aided 443 workers during the year by helping resolve cases without appeal, and by preparing cases and making presentations to the two levels of appeal available to workers, the Claims Services Review

Table 4
Operating Efficiencies — January - December 1989

* *The Claims Department receives approximately 300,000 phone calls a year.*

WCB personnel visit job sites to get first hand information

Table 5
Appeals Advisory Service
a Two-Year Comparison of Activities

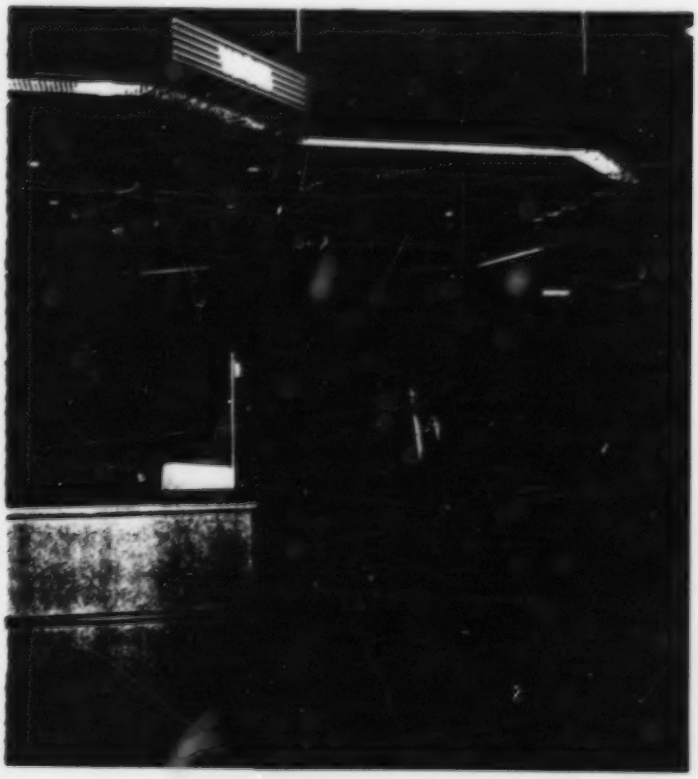
Table 6
Claims Services Review Committee
a Two-Year Comparison of Activities

Committee and the Appeals Commission. As is shown in Table 5, this figure was an increase over the 358 comparable cases in 1988. Statistics on the activities of the Claims Services Review Committee are shown in Table 6.

- The various appeals tribunals have been providing more comprehensive and understandable reasons for their decisions.

Resolving Complaint Causes

- The Operations Division, which deals directly with clients, launched a Complaint Reduction Project. The project's goal is to substantially improve client satisfaction. The first step was to organize a Client Services Support Department. This acts as an internal referee, sorting complaints into categories. The unit then works with operating departments to eliminate complaint causes.



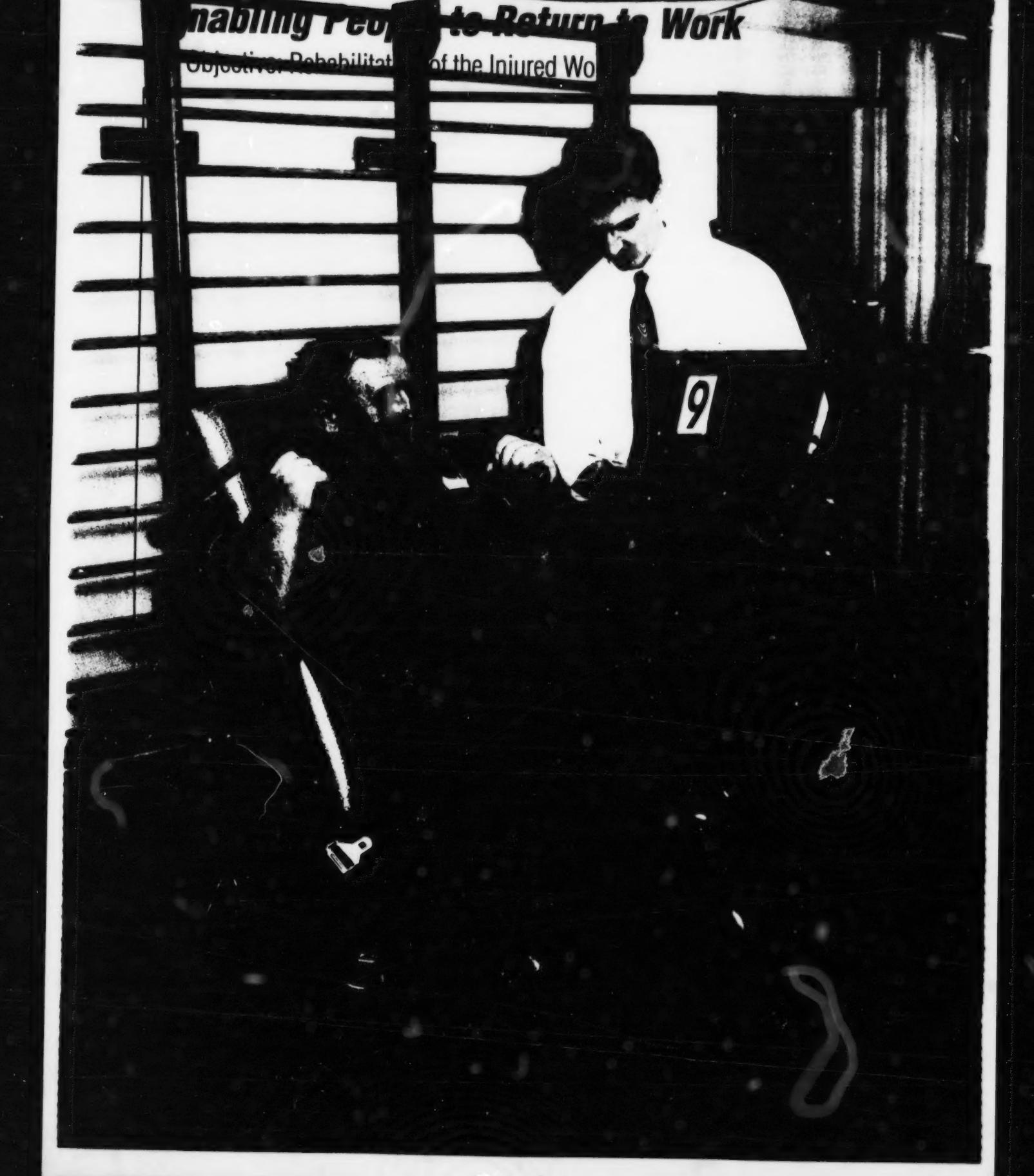
The client service area in the Central Office was renovated to give clients easier access.

Table 7

Assessment Review Committee
a Two-Year Comparison of Activities

	1988	1989

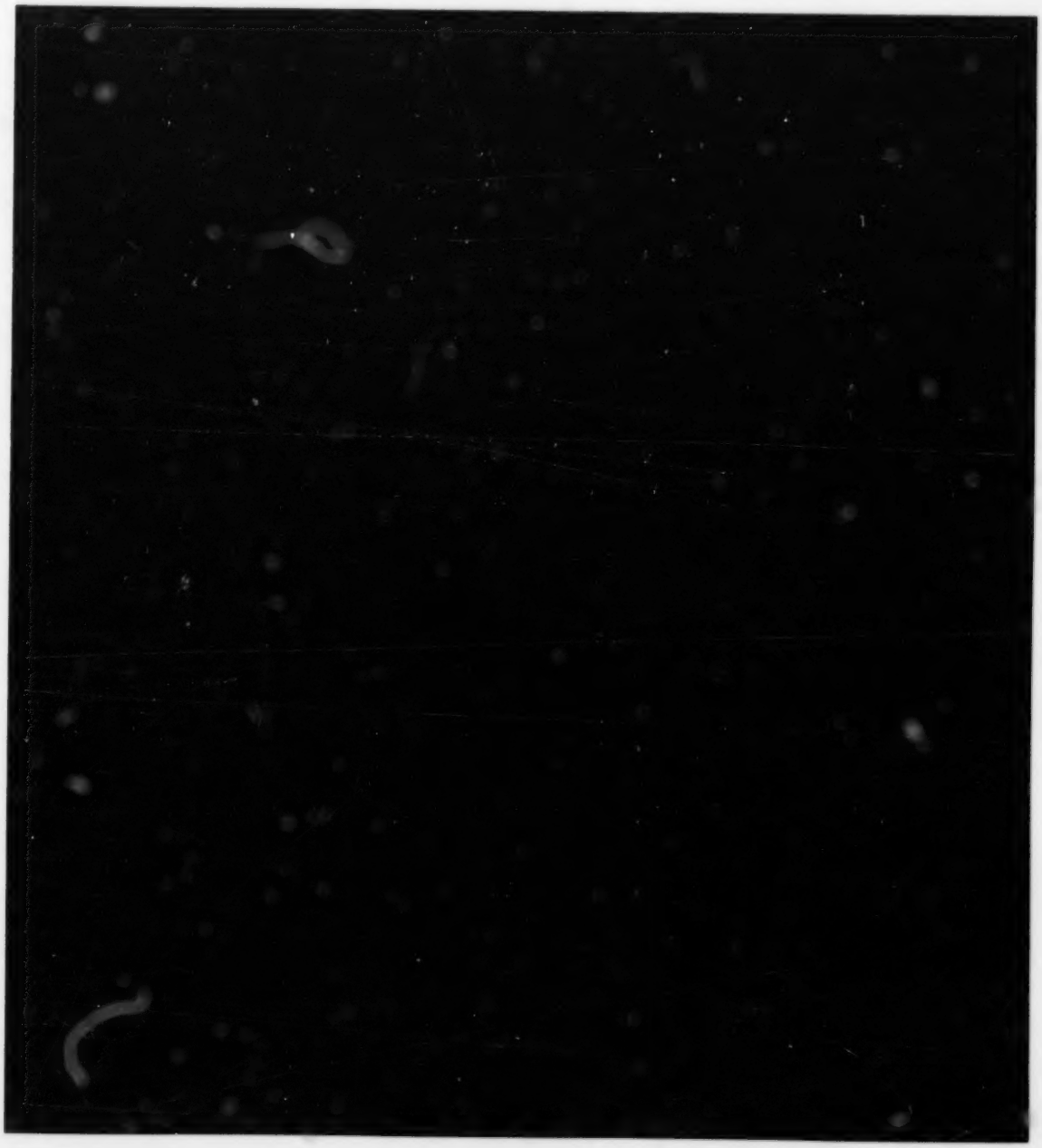
- The Client Services Support Department also identifies and recommends changes in the delivery system and procedures that would improve services to both client groups — injured workers and employers.
- Consideration is being given to a major change in the way benefits are paid. The WCB is looking at a system that sees wage loss rather than physical impairment as the basis for compensation payments.
- Operations Division staff conducted a customer complaint survey to evaluate client needs and expectations. One result was that Standards of Excellence were set for 27 customer service areas. Resources were added to improve standards as required.
- The Secretary and General Counsel Division established a Government Relations Department which acts as a liaison between the WCB and elected officials, the Ombudsman's office, other governments and government departments, and public interest groups seeking responses to complaints they have received. This Department dealt with more than 3,400 enquiries during 1989.
- The work of the Assessment Review Committee, which considers assessment appeals by employers, is shown in Table 7.


nabling Peop to Return to Work
Objectives: Rehabilitat of the Injured Wo
9

The ambition of The Workers' Compensation Board for injured workers is, by providing effective and compassionate rehabilitation, to enable them to return to meaningful employment.

This involves a constant review of existing services that contribute to the rehabilitation process, and the addition of new ones. As shown on these pages, much happened in 1989. In July, the pilot project for a new Case Management Program started up, and more components were added to Medical Services, to the Rehabilitation Centre, to Vocational Rehabilitation services, and to the Regional Offices.

Case Management Serves 1,236 in Pilot Program



Medical Services

- Medical Services established a specialized unit to care for head injuries. The WCB deals with several hundred such injuries a year. Aside from needing physical repair, head injuries can create unique emotional problems, and clients often need psychological, psychiatric, and neurological help.
- Staff were allocated specifically to service the Claims Services Review Committee and the Appeals Commission.
- The department began an audit to review its efficiency and effectiveness.

Rehabilitation Centre

- The Rehabilitation Centre opened a school for chronic back problems as well as a head injury rehabilitation unit. The latter follows up treatment undertaken by Medical Services.
- Specialized programs were set up for fitness assessment and for weight control counselling.
- The number of interdisciplinary teams was expanded from six to eight.
- Specific parts of the Centre's physical plant underwent long overdue improvement and restructuring.
- The process was started to obtain accreditation of the Rehabilitation Centre by the Commission on Accreditation of Rehabilitation Facilities (CARF). This agency has established standards for the vocational rehabilitation industry in North America, and is composed of providers and recipients of vocational rehabilitation services.

At the Rehabilitation Centre fitness assessment of patients is an important part of the rehabilitation process.

Vocational Rehabilitation

- The Vocational Rehabilitation Department increased the number of counsellors from 43 to 62 to clear a backlog of 400 cases and staff new programs. A full-time trainer was also hired to enhance the skills of counsellors.
- By the end of 1989, the four-month waiting period for services was eliminated.
- The average time period between the date of accident and initial counsellor contact with the injured worker fell dramatically. The ultimate goal is to contact all workers who require a job change due to their injury within two months of the date of accident.
- A strategy is being developed to use labor market data to help place injured workers. Potential employers will be identified who have job openings with work requirements that can be matched with the skills and abilities of injured workers.
- The department introduced a Satisfaction Survey. This solicits opinions from workers and employers on vocational rehabilitation services. Remedial action is taken where required.
- The Job Finding Club program was expanded, providing placement for more than 100 workers, double the figure for 1988. More than 60% of the participants found jobs by the end of the three-week interactive group program; 80% found jobs within three months of completing the program.

Regional Offices

- The Workers' Compensation Board has regional offices in Calgary, Grande Prairie, Lethbridge, Medicine Hat, and Red Deer. Although most services are currently centralized, the WCB plans to increase services gradually in all regional offices.
- During the year, the Calgary office added staff, and helped set up a major back care rehabilitation program in a city clinic.
- The Appeals Advisory Service in Calgary now has three advisors to assist workers conduct their appeals.

Creating a Cost-Effecti

Technology Leads the Way to Long-Term Efficiencies, Savings

Over 2 million new documents are generated annually in the Claims Department alone

The operations of The Workers' Compensation Board are data-intensive. More than 95% of its stored information is on paper, and paper-based filing systems have always influenced its operations and business processes. This paper database grows daily. In the Claims Department alone, the growth rate is two million new documents a year.

For the 1990s, it is recognized that cost-effectiveness will derive from electronic technology. It is in this field, in state-of-the-art systems and automation, that cost benefits will be realized. Technology is leading the way to long-term efficiencies and savings, and the WCB is reviewing its operations in light of this reality.

Imaging Project is a "First" for Alberta

In March 1989, the corporation and IBM Canada Ltd. completed a joint study on specific aspects of office systems. In particular, the study researched an advanced technology, Imaging, as a possible easement for systems that manage paper-based information.

Imaging technology uses a device similar to the office copier to scan documents of all types, including diagrams, and transform them into digital computer images. These are stored electronically and retrieved as required in "picture" form, much like photographs, on the operator's computer screen.

The technology frees up an organization from total dependence on paper files to deliver client services. Most importantly, the Imaging technology allows more than one person to use the same "picture" file at the same time. This eliminates the delays that are inherent in any operation in which a paper file can be used by only one individual at a time, as is now the case in the WCB.

In August 1989, the WCB introduced one of the first large-scale Imaging systems in Canada, and the first of its kind in Alberta. At the end of the year, a major test project was in operation, using six image terminals.

In the first half of 1990, the system is scheduled to be effective for 2,000 claims, using some 35 image terminals. By the end of 1990, the plan is to start installing up to 200 terminals.

With the Imaging technology, any number of people can use a file simultaneously. This means that, if a file is in the system:

- Phone queries from injured workers and employers can be answered immediately; the operator just calls up the file image.
- Commencement of a particular stage in the adjudication or rehabilitation processes will not have to be put on hold while others are being completed.
- Injured workers can be treated in a more timely way: rehabilitation, retraining, or other activities, can be started on time within a planned program. There will be no waiting for a file to catch up or arrive at a designated point.

The program being embarked upon by the corporation will be expanded to the 600 work stations required to handle the 60,000 new cases reported each year, plus those that continue.

The contribution of the system to the cost-effectiveness of the WCB embodies a broad range of service delivery improvements: faster adjudication of claims, earlier rehabilitation treatment, fewer delays in payment of benefits, more prompt appeal hearings, and major reductions in paperwork.

Computerized Imaging technology is expected to free up the organization from total dependence on paper files.

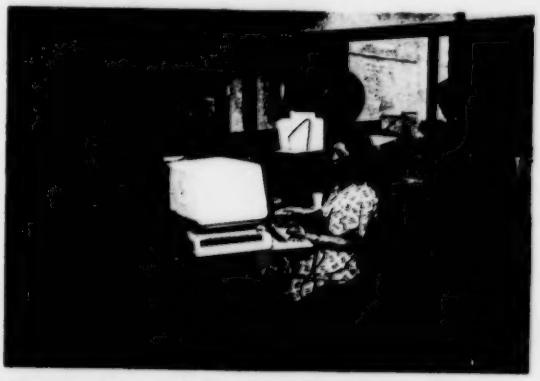
Systems modernization will take time to complete; much of it has to be custom-designed for the WCB's specific needs. In the interim, people rather than electronics are being used to cut existing delays, reduce complaints, and make things work more effectively and speedily for injured workers.

This accounts for the increase in staff by some 250 people in 1989, with more to be added in 1990. These numbers will drop (through attrition, retirements and resignations) when automated systems, mostly now in pilot modes, have been perfected to do the job that needs to be done. One result of systems modernization, is to orient the WCB's operation to one that is totally client-friendly.

Systems Initiatives

The following items are in addition to systems improvements and initiatives described elsewhere in this report.

- To increase efficiencies in service to clients, the Claims Department began a major overhaul of all existing automated systems.
- The Information Systems Department, which provides data to users inside and outside the WCB, started an extensive replacement of existing systems, and added new functions.
- The Corporate Development Division is generating issues management and integrated planning initiatives. Issues management looks at situations and events that may affect the corporation and its clients. The goal is to pre-empt the negative effects of trends and events. Integrated planning ensures that new programs and projects are coordinated and are complemented with appropriate planning, and financial and human resources.
- Systems modernization will play an important role in the plan to effect, at the end of five years, a reduction in the average compensation days paid per lost-time claim equal to 15% of these in 1989. This target parallels the five-year goal referred to elsewhere in this report of reducing the number of lost-time claims, through injury-prevention initiatives by 15% of 1989 totals.



Above: Improved systems in Claims Information reduced the total telephone busy signal time from 96 hours in January to 21 hours in December.

Below: Staff training was a high priority.

Management Commentary on the Financial Statements for 1989

Results of Operations

Continued growth of Alberta's economic activity combined with increased rates of assessment resulted in The Workers' Compensation Board recording a $62.9 million surplus from operations during 1989. As a consequence, the accumulated unfunded liability of the corporation fell to $304.2 million at year-end, improving the funded position to 84.2%.

Current Year Activities

Assessment revenue reached $366.0 million for 1989, an increase of 16.7% over 1988. The growth in assessment revenue is almost entirely due to the rise in the average rate of assessment from $1.58 in 1988 to $1.75 in 1989, a 10.8% increase. However, expenditures for 1989 rose to $386.1 million, producing an operating result which, although substantially improved from that in 1988, was still a $20.1 million deficit. The 4.9% increase in the average assessment rate approved for 1990 is directed at eliminating continuation of these current year operating deficits. A comparison of 'required' and actual assessment rates for the past five years is shown in Table 8.

Table 8

Average Actual Compared to Average Required Assessment Rates

Year	Average Actual Assessment Rate per $100 Assessable Payroll	Average Rate Required For Full Funding per $100 Assessable Payroll	Difference
[redacted]			

Prior Year Activities

Operating activities during 1989 for claims of all prior years posted a surplus of $82.9 million, a 128% improvement on the comparable 1988 result. This increase reflects both a substantial improvement in investment returns and lower-than-expected claim costs during 1989.

Investment Activities

Net investment income rose to $153.2 million, an increase of $25.7 million or 20.2% over 1988. Assets held to meet future benefit obligations for past accidents reached $1,479.5 million, an increase of 12.7%. These assets were invested through the Provincial Treasurer in accordance with the provisions of Section 86(1) of the Workers' Compensation Act. The average return on investments during 1989 improved to 11.1% compared to 10.05% in 1988.

Although some continued reallocation of investments from fixed income instruments into equities and real estate occurred during 1989, the overall asset mix remained relatively unchanged. Actions to alter the asset mix will be recommended during 1990 to allow achievement of returns similar to those obtained by other large balanced Canadian funds.

Actuarial Liabilities

Estimated claim liabilities of the corporation rose to $1,891.3 million, an increase of 4.6%. Management, in estimating future wage-related obligations for past accidents, has adopted actuarial assumptions which provide for:

- future annual benefit increases of 5.5%, except for 1990 where a 10% increase assumption has been applied; and
- an ability to obtain a real (after inflation) rate-of-return on investments of 2.84% per annum.

Other than the 10% benefit increase assumed for 1990, these economic assumptions remain unchanged from those used at year-end 1988 in determining the corporation's actuarial liabilities.

Management's Responsibility for Financial Reporting

Management of The Workers' Compensation Board is responsible for the preparation, integrity and objectivity of the financial statements and related information in this annual report. The financial statements have been prepared in accordance with generally accepted accounting principles, except as specifically described in Note 2 to the financial statements, and have been approved by the Board of Directors.

Preparation of financial information contained in this annual report, necessarily includes estimates and judgements based on careful consideration of information available to management.

Management develops and maintains a system of internal controls to provide reasonable assurance as to the reliability of financial information and the safeguarding of assets. An effective system of internal controls is accomplished through careful selection of employees, segregation of responsibilities and application of sound financial control practices.

The Auditor General of the Province of Alberta is the auditor of The Workers' Compensation Board in accordance with Section 87(1) of the Workers' Compensation Act. The auditor determines the audit scope, conducts appropriate tests of accounting records and obtains sufficient evidence to provide reasonable assurance the financial statements present fairly the financial position of The Workers' Compensation Board on a basis consistent with that of the preceding year.

TPF&C Limited, an independent firm of consulting actuaries, has been engaged to provide an opinion on the adequacy and appropriateness of the actuarial valuation of claim liabilities of The Workers' Compensation Board. The valuation of claim liabilities conforms to the recommendations of the Canadian Institute of Actuaries.

Management of The Workers' Compensation Board believes that the system of internal controls and approved policies, practices and procedures provide reasonable assurance that operations conform to a high standard of business conduct.

K.C. Pals

Kenneth C. Pals
President and
Chief Executive Officer

K.W. Coull

K.W. Coull
Vice-President, Corporate Resources and
Chief Financial Officer

Auditor's Report

To the Directors of The Workers' Compensation Board

I have examined the balance sheet of The Workers' Compensation Board as at December 31, 1989 and the statements of operations and fund balance and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting, as described in Note 2 to the financial statements, applied on a basis consistent with that of the preceding year.

Donald D. Salmon

FCA
Auditor General

Edmonton, Alberta
April 17, 1990

Actuarial Opinion

TPF&C
a Towers Perrin Company

To the Board of Directors of The Workers' Compensation Board - Alberta

We have made the valuation of the liability for claims of The Workers' Compensation Board for its Balance Sheet as at December 31, 1989 for the year then ended. The valuation conforms to the provisions of the Workers' Compensation Act in effect at December 31, 1989, including provision for inflationary adjustments to claims incurred as of the valuation date.

In our opinion,

1. the valuation conforms to generally accepted actuarial principles;
2. the amount of liabilities for Unfinalled Claims ($706,000,000), Pensions ($797,900,000) and Enhanced Disabilities ($387,400,000) makes proper provision for future payments for which the Accident Fund is financially responsible under the Workers' Compensation Act; and
3. proper provision on account of the liabilities for Unfinalled Claims ($148,000,000) and Enhanced Disabilities ($80,800,000) have been made in the Statement of Operations and Fund Balance in respect of claims incurred during 1989.

TPF&C LIMITED

Tony Williams

Tony C.L. Williams, F.C.I.A.

James N Murta

James H. Murta, F.C.I.A.

Calgary, Alberta
April 17, 1990

Balance Sheet

as at December 31, 1989
(in thousands of dollars)

	1989	1988
ASSETS		
Cash	**$ 35,978**	$ 54,678
Assessments and other receivables (Note 3)	**35,429**	33,859
Accrued interest	**19,850**	19,987
Investments (Schedule 1)	**1,479,504**	1,324,266
Deferred charges (Note 4)	**39,849**	27,221
Fixed assets (Note 5)	**16,627**	10,969
	$ 1,627,237	$ 1,470,980
LIABILITIES AND FUND BALANCE		
Accounts payable	**$ 6,599**	$ 2,373
Deferred revenue (Note 4)	**32,947**	26,792
Employers' deposit accounts	**380**	380
Staff benefit trust	**225**	200
Liability for claims (Note 6)	**1,891,300**	1,808,300
Fund balance (deficit)	**(304,214)**	(367,065)
	$ 1,627,237	$ 1,470,980

The accompanying notes and schedules are part of these financial statements.

On behalf of the Board of Directors:

Vern Millard, Director

Kenneth C. Pals, Director

Statement of Operations and Fund Balance

for the year ended December 31, 1989
(in thousands of dollars)

	Operating Activities For			
	1989	Prior Years	**1989 Total**	1988 Total
REVENUE				
Assessments				
Industry	$ 364,731	$ 785	**$ 365,516**	$ 312,637
Self-Insurers	1,276	7,473	**8,749**	8,166
Investment income (Note 8)	-	153,187	**153,187**	127,441
Province of Alberta (Note 9)	-	13,799	**13,799**	14,429
	$ 366,007	$ 175,244	**$ 541,251**	$ 462,673
EXPENDITURES				
Claim costs (Note 10)	$ 87,422	$ 227,770	**$ 315,192**	$ 309,983
Deduct: Claim costs charged to the liability for claims	4,027	220,310	**224,337**	218,647
	83,395	7,460	**90,855**	91,336
Provision for future claim costs	228,800	-	**228,800**	222,300
Adjustment to liability for claims:				
Investment income allocated	-	144,628	**144,628**	152,816
Actuarial estimates	-	(59,777)	**(59,777)**	(47,087)
Total claim costs	312,195	92,311	**404,506**	419,365
Administrative and general expenses (Schedule 2)	64,007	-	**64,007**	42,943
Rehabilitation Centre operations, net (Schedule 3)	1,791	-	**1,791**	470
Occupational Health and Safety (Note 11)	5,827	-	**5,827**	6,130
Safety association and research grants (Note 12)	2,269	-	**2,269**	160
	$ 386,089	$ 92,311	**$ 478,400**	$ 469,068
OPERATING SURPLUS (DEFICIT)	$ (20,082)	$ 82,933	**$ 62,851**	$ (6,395)
Fund balance at beginning of year			**(367,065)**	(360,670)
FUND BALANCE AT END OF YEAR			**$ (304,214)**	$ (367,065)

Statement of Changes in Financial Position

for the year ended December 31, 1989
(in thousands of dollars)

	1989	1988
OPERATING ACTIVITIES		
Operating surplus (deficit)	**$ 62,851**	$ (6,395)
Claim costs charged to operations	**90,855**	91,336
	153,706	84,941
Items not requiring funds:		
Provision for future claim costs	**228,800**	222,300
Adjustments to liability for claims:		
Investment income allocated	**144,628**	152,816
Actuarial estimates	**(59,777)**	(47,087)
Depreciation and amortization of fixed assets	**4,882**	2,032
Amortization, gains and losses on investments, net	**(37,535)**	(20,824)
Write down of investments	**3,262**	6,047
Other, net	**2,760**	(4,934)
	440,726	395,291
Deduct:		
Claim payments:		
Compensation	**126,086**	124,406
Vocational rehabilitation	**22,000**	15,833
Medical aid	**53,793**	51,858
Pension	**120,185**	122,371
Pension award recoveries	**(616)**	(1,086)
	321,448	313,382
Cash provided from operating activities	**119,278**	81,909
INVESTING ACTIVITIES		
Sale (Purchase) of investments, net	**(127,438)**	(76,116)
Sale (Purchase) of fixed assets, net	**(10,540)**	(1,022)
Cash obtained from (applied to) investing activities	**(137,978)**	(77,138)
INCREASE (DECREASE) IN CASH	**(18,700)**	4,771
Cash at beginning of year	**54,678**	49,907
CASH AT END OF YEAR	**$ 35,978**	$ 54,678

Notes to the Financial Statements

December 31, 1989

1. AUTHORITY

The Workers' Compensation Board operates under the authority of the Workers' Compensation Act, Statutes of Alberta 1981, Chapter W-16, as amended.

2. SIGNIFICANT ACCOUNTING POLICIES

a) General:
These financial statements have been prepared in accordance with generally accepted accounting principles except amortized unrealized net gains on equities which are recorded as a deferred charge rather than an adjustment to the carrying value of equities in investments.

b) Depreciation and Amortization of Fixed Assets:
Depreciation is recorded as follows:

Buildings	2 1/2% straight line
Equipment - Data processing	35% diminishing balance
- Other	15% diminishing balance
Automobiles	20% straight line

Leasehold improvements and data processing software costs are amortized on a straight line basis over their expected useful lives.

c) Cash:
Included in cash are deposits in the Consolidated Cash Investment Trust Fund of the Province of Alberta.

d) Investments:
Investments are recorded at amortized cost with the exception of real estate and equities which are at cost.
Included in investments are:
(i) Term deposits which consist of certificates of deposit, guaranteed investment certificates, treasury bills and promissory notes.
(ii) Equities which consist of common and preferred shares, warrants and pooled equity units.

A gain or loss on the sale of a fixed term investment is deferred and amortized to investment income to the maturity date of the disposed investment.

A gain or loss on the sale of an equity is deferred and amortized to investment income at 15% per annum, applied to the unamortized balance. Unrealized gains and losses on equities are also amortized to investment income at 15% per annum, applied to the unamortized balance.

Investment income is recorded as an operating revenue for prior years on the basis this income is to provide for the cost of prior years' claims and is allocated to the liability for claims based on average balances and expected yield.

e) Translation of Foreign Currency:
Assets held and liabilities payable in foreign currency are translated into Canadian dollars at the exchange rate prevailing at the balance sheet date except investments which are translated at historical exchange rates.

f) Actuarial Liabilities:
Actuarial liabilities are the estimated present value amounts required to meet the future cost of claims in respect of current and prior years' accidents. The liability estimates are reviewed annually by an independent consulting actuary.

3. ASSESSMENTS AND OTHER RECEIVABLES

Assessments and other receivables are as follows:

	1989	1988
	(in thousands of dollars)	
Assessments receivable	$ 32,318	$ 30,666
Less: Allowance for doubtful assessments receivable	1,600	1,400
	30,718	29,266
Accounts receivable	3,204	3,028
Advances to pensioners	1,507	1,565
	$ 35,429	$ 33,859

4. DEFERRED CHARGES/REVENUE

Deferred charges and revenue are as follows:

	1989	1988
	(in thousands of dollars)	
Deferred charges:		
Amortized unrealized net gain on equities	**$ 39,849**	$ 27,221
	$ 39,849	$ 27,221
Deferred revenue:		
Unamortized net gain on sale of equities	**$ 27,351**	$ 21,645
Unamortized net gain on sale of fixed term investments	**5,596**	5,147
	$ 32,947	$ 26,792

5. FIXED ASSETS

Fixed assets are as follows:

	1989			1988
	Cost	Accumulated Depreciation and Amortization	Net Book Value	Net Book Value
	(in thousands of dollars)			
Land	**$ 604**	**$ -**	**$ 604**	$ 604
Buildings	**11,785**	**4,392**	**7,393**	5,305
Equipment	**13,622**	**7,958**	**5,664**	3,647
Leasehold improvements	**851**	**540**	**311**	197
Software	**4,406**	**1,751**	**2,655**	1,216
	$ 31,208	**$ 14,641**	**$ 16,627**	$ 10,969

6. LIABILITY FOR CLAIMS

Liability for claims is as follows:

	1989				1988
	Pensions	Unfinalled Claims	Enhanced Disabilities	Total	Total
	(in thousands of dollars)				
INCREASES IN LIABILITY					
Current year claims:					
Capitalized pension awards	**$ 11,572**	**$ -**	**$ -**	**$ 11,572**	$ 13,844
Provision for future claim costs	**-**	**148,000**	**80,800**	**228,800**	222,300
Prior years' claims:					
Capitalized pension awards	**102,357**	**-**	**-**	**102,357**	105,128
Investment income allocated	**63,281**	**50,117**	**31,230**	**144,628**	152,816
Actuarial adjustments	**(1,767)**	**(8,223)**	**(49,787)**	**(59,777)**	(47,087)
	175,443	**189,894**	**62,243**	**427,580**	447,001
DECREASES IN LIABILITY					
Pension payments	**120,185**	**-**	**-**	**120,185**	122,371
Reduction of pension advances	**58**	**-**	**-**	**58**	283
Claim costs	**-**	**140,394**	**83,943**	**224,337**	218,647
	120,243	**140,394**	**83,943**	**344,580**	341,301
NET INCREASE (DECREASE)	**55,200**	**49,500**	**(21,700)**	**83,000**	105,700
Liability at beginning of year	**742,700**	**656,500**	**409,100**	**1,808,300**	1,702,600
LIABILITY AT END OF YEAR	**$797,900**	**$706,000**	**$387,400**	**$1,891,300**	$1,808,300

7. OBLIGATIONS UNDER LEASES

While there are no leases classified as capital, a number of operating leases exist for computer equipment and office space. The following is a schedule of future lease payments for the upcoming five year period:

1990	$ 4,352,000
1991	$ 4,100,000
1992	$ 2,582,000
1993	$ 492,000
1994	$ 492,000

8. INVESTMENT INCOME

Investment income is as follows:

	1989	1988
	(in thousands of dollars)	
Interest and dividends	**$ 136,997**	$ 120,791
Amortization of net gain on sale of fixed term investments	**1,997**	4,007
Amortization of net gain on sale of equities	**4,827**	3,820
Amortization of unrealized net gain on equities	**12,628**	4,870
Write-down of investments	**(3,262)**	(6,047)
	$ 153,187	$ 127,441

9. PROVINCE OF ALBERTA

Reimbursement is received from the General Revenue Fund of the Province of Alberta to cover payment of legislative increases for pre-1974 pensions.

10. CLAIM COSTS

Claim costs are as follows:

	Self Insurers	Industry 1989	Industry Prior Years	1989 Total	1988 Total
		(in thousands of dollars)			
Pension awards	**$ 4,680**	**$ 11,557**	**$ 97,692**	**$ 113,929**	$ 118,972
Less: Pension award recoveries	**-**	**-**	**616**	**616**	1,086
	4,680	**11,557**	**97,076**	**113,313**	117,886
Compensation	**1,372**	**53,178**	**71,536**	**126,086**	124,406
Vocational rehabilitation	**310**	**807**	**20,883**	**22,000**	15,833
Medical aid	**1,895**	**21,357**	**30,541**	**53,793**	51,858
	$ 8,257	**$ 86,899**	**$ 220,036**	**$ 315,192**	$ 309,983

Medical aid includes reimbursements to the Alberta Health Care Insurance Fund for payment of basic health services provided to injured workers in the amount of $13,501,000 (1988 - $13,182,000). Also included are charges in the amount of $6,343,000 (1988 - $5,986,000) for treatment of injured workers at the Rehabilitation Centre.

11. OCCUPATIONAL HEALTH AND SAFETY

The Workers' Compensation Board reimburses the Provincial Treasurer a portion of the costs of administering the Occupational Health and Safety Act.

12. SAFETY ASSOCIATION AND RESEARCH GRANTS

Grants are provided to employer groups and researchers to assist and study means of improving the workplace and minimizing the effects of work related injuries.

13. COMPARATIVE FIGURES

The 1988 figures are reclassified where necessary to conform to 1989 presentation.

Schedule of Investments

Schedule 1

as at December 31, 1989
(in thousands of dollars)

	1989		1988	
	Book Value	**Market Value**	Book Value	Market Value
Bonds				
Government of Canada and Provincial guaranteed	**$ 644,446**	**$ 663,364**	$ 643,673	$ 647,757
Corporate	**88,627**	**89,963**	75,423	76,060
Coupons and residuals	**29,464**	**28,062**	29,618	28,156
	762,537	**781,389**	748,714	751,973
Mortgages				
N.H.A. guaranteed	**51,585**	**52,835**	40,437	40,641
Commercial	**53,357**	**56,313**	43,854	44,767
	104,942	**109,148**	84,291	85,408
Real estate	**44,158**	**53,649**	36,847	42,044
Equities	**314,828**	**426,238**	278,913	333,731
Term deposits	**253,039**	**251,096**	175,501	171,718
	$ 1,479,504	**$ 1,621,520**	$ 1,324,266	$ 1,384,874

Schedule of Administrative and General Expenses **Schedule 2**

for the year ended December 31, 1989
(in thousands of dollars)

	1989	1988
ADMINISTRATIVE		
Salaries and benefits	$ 39,972	$ 31,454
Depreciation and amortization	4,643	1,819
Data processing and office equipment rentals and maintenance	4,576	2,140
Professional fees	3,525	849
Printing and office supplies	2,553	753
Maintenance, rental and operation of buildings	2,223	1,240
Staff recruitment and relocation	1,065	286
Travel	963	599
Memberships , publications, courses and seminars	886	399
Telephone	733	482
Postage and freight	687	566
Taxes	336	324
Media productions and advertising	231	156
Insurance and security services	166	129
Bank service fees	122	95
Miscellaneous	152	139
	62,833	41,430
Deduct:		
Rental revenue	73	84
Miscellaneous revenue	364	390
	437	474
	62,396	40,956
GENERAL		
Provision for doubtful assessments	870	739
Administrative claim costs	451	720
Early retirement incentive program	65	303
Alberta Health Care administration cost	225	225
	1,611	1,987
TOTAL ADMINISTRATIVE AND GENERAL EXPENSES	$ 64,007	$ 42,943

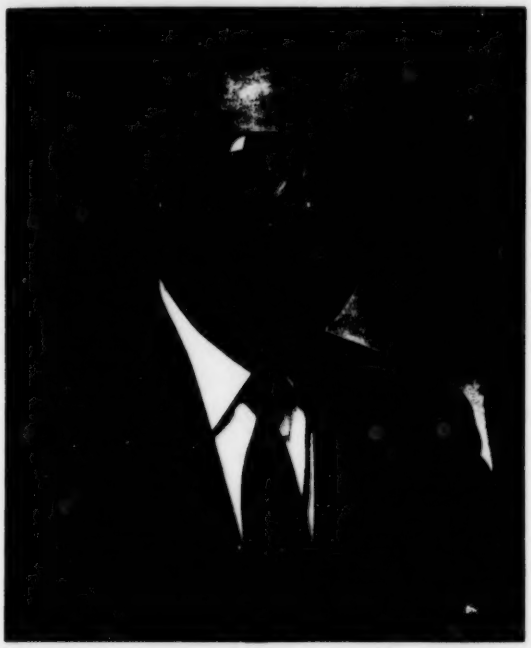
Schedule of Rehabilitation Centre Operations

Schedule 3

for the year ended December 31, 1989
(in thousands of dollars)

	1989	1988
Salaries and benefits	$ 6,092	$ 5,064
Maintenance and operation of building and equipment	551	296
Medical and therapy supplies	485	339
Depreciation	239	213
Medical consulting fees	211	208
Printing and office supplies	116	33
Telephone	92	75
Staff recruitment and relocation	66	23
Memberships, publications, courses and seminars	61	38
Transportation of patients	55	55
Travel	54	23
Laundry service and uniforms	34	28
Cafeteria	27	32
Miscellaneous	51	29
	8,134	6,456
Deduct:		
Charged to medical aid claim costs	6,343	5,986
LOSS FROM OPERATIONS	$ 1,791	$ 470

Report of the Appeals Commission



Morris Bahry, Chairman of the Appeals Commission and Chief Appeals Commissioner.

Nineteen eighty-nine was the first full year of operation for the Appeals Commission, which came into being through legislation on November 1, 1988. Its function is to hear appeals that are brought before it under The Workers' Compensation Act.

On a day-to-day basis, the Commission operates at arm's length, independent of The Workers' Compensation Board. The intent is to provide the opportunity for injured workers and their employers to have their appeals heard by one of the Commission's appeals panels. The commissioners are appointed by Order-in-Council for a term of either one or five years.

Appeals arise from decisions made by the Claims Services Review Committee and by the Assessment Review Committee. The Commission has exclusive jurisdiction over appeals, and its decisions are not open to question or review in any court; it is not bound by precedent.

Relatively few appellants now come to appeal hearings without representation from lawyers, union or personal representatives, or appeals advisors from The Workers' Compensation Board. Employers also have the right to attend. About 25% of hearings are attended by employers who can make representations at hearings in which they have a vested interest.

Hearings are conducted so that they create an environment that is "user-friendly". Hearings are short on legalistic traits and features, long on concern, and are to be seen as informal, non-inhibiting and non-adversarial.

Historically, appeals relating to Workers' Compensation Board matters have been relatively simple to deal with because of the issues involved. This is changing. Appellants are becoming more knowledgeable about the compensation system, and are challenging what they believe to be errors or unfairness within that system. In addition, because more medical information is now available on almost every condition, case reviews are more demanding. These factors combined make the appeals process more detailed and challenging.

Activity Highlights 1989

- **More commissioners appointed.** When the Commission was set up in November 1988, a backlog of 548 appeals existed. Dealing with this problem was the Commission's first task. A start was made by conducting documentary reviews. However, because most appellants requested in-person hearings, certain delays continued.

  In response, the number of full-time commissioners was increased from three to five, and the number of temporary commissioners was increased to 10. The result was that more files could be dealt with by way of hearings, thus ensuring that requests by injured workers to be heard in person were granted. The backlog of 548 appeals was cleared by March 31, 1989.

- **Hearing panels grouped.** To expedite appeals processing, the commissioners are now grouped into hearing panels; four will be operational early in 1990. Each panel comprises a hearing chairman and two commissioners. Usually, each hearing chairman is a permanent commissioner; the other panel members are temporary commissioners, having industry and labor backgrounds.

- **Increase in appeals heard.** At the end of 1989, the average number of appeals being reviewed and decisions rendered each month rose to 70 from an average of 48 in 1988.

When the four hearing panels are fully active in 1990, the average number of appeals heard each month should rise further, to approximately 80.

- **Reducing process time.** A Commission objective, by the end of 1990, is to reduce to 60-90 days the period between the time an appeal is received to the hearing of the appeal and a subsequent decision.
- **Computers speed-up system.** In March 1989, the first phase of a computer tracking system for appeals was installed. The system will be completed in 1990, after which electronic files will be used to speed appeal processing.
- **Task force to set goals.** A task force is now looking at all aspects of the appeals process, from the time a letter of appeal reaches the Commission to when a decision goes out. The intent of the task force is to set goals and standards, and to measure achievements.

Table 9

Appeals Commission Data

	1988	1989
Appeals received	1,000	1,000
Appeals heard	1,000	1,000
Appeals withdrawn	1,000	1,000
Appeals pending	1,000	1,000
Appeals decided	1,000	1,000
Appeals allowed	1,000	1,000
Appeals dismissed	1,000	1,000
Appeals returned*	1,000	1,000
Appeals pending**	1,000	1,000

* Files returned to the corporation for medical examination or for more information

** No statistical values were maintained on pending files prior to 1989